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REFERENCE TITLE: **unified school districts; budgets**

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
Second Regular Session  
2004

## **HB 2635**

Introduced by  
Representatives Carruthers, Aguirre A, Chase, Hershberger, Huffman,  
Landrum Taylor, Loreda, McClure, O'Halleran, Senator Cannell R:  
Representatives Alvarez, Boone, Burns J, Flake, Gullett, Hubbs,  
Konopnicki, Nelson, Thompson, Wagner

**AN ACT**

**AMENDING SECTION 15-448, ARIZONA REVISED STATUTES; RELATING TO UNIFIED SCHOOL DISTRICTS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-448, Arizona Revised Statutes, is amended to  
3 read:

4 15-448. Formation of unified school district; board membership;  
5 budget

6 A. One or more common school districts and a high school district with  
7 coterminous or overlapping boundaries may establish a unified school district  
8 pursuant to this section. Unification of a common school district and a high  
9 school district is not authorized by this section if any of the high school  
10 facilities owned by the new unified school district would not be located  
11 within its boundaries.

12 B. Formation of a unified school district shall be by resolutions  
13 approved by the governing boards of the unifying school districts and  
14 certification of approval by such governing boards to the county school  
15 superintendent of the county or counties in which such individual school  
16 districts are located. A common school district and high school district  
17 that unify pursuant to this section shall not exclude from the same  
18 unification a common school district that has overlapping boundaries with the  
19 high school district and that wishes to unify. The formation of a unified  
20 school district shall become effective on July 1 of the next fiscal year  
21 following the certification of the county school superintendent. An election  
22 shall not be required to form a unified school district pursuant to this  
23 section.

24 C. The boundaries of the unified school district shall be the  
25 boundaries of the former common school district or districts that unify. The  
26 boundaries of the common school district or districts that are not unifying  
27 remain unchanged. The county school superintendent, immediately upon receipt  
28 of the approved resolutions prescribed by subsection B of this section, shall  
29 file with the board of supervisors, the county assessor and the  
30 superintendent of public instruction a transcript of the boundaries of the  
31 unified school district. The boundaries shown in the transcript shall become  
32 the legal boundaries of the school districts on July 1 of the next fiscal  
33 year.

34 D. On formation of the unified school district, the governing board  
35 ~~shall contain~~ CONSISTS OF the members of the former school district governing  
36 boards and the members shall hold office until January 1 following the first  
37 general election after formation of the district.

38 E. Beginning ON January 1 following the first general election after  
39 formation of the unified school district, the governing board shall have five  
40 members. At the first general election after the formation of the district,  
41 members shall be elected in the following manner:

42 1. The three candidates receiving the highest, the second highest and  
43 the third highest number of votes shall be elected to four year terms.

1           2. The two candidates receiving the fourth and fifth highest number of  
2 votes shall be elected to two year terms. Thereafter all offices shall have  
3 four year terms.

4           F. The new unified school district may appoint a resident of the  
5 remaining common school district to serve as a nonvoting member of the  
6 governing board to represent the interests of the high school pupils who  
7 reside in the remaining common school district and WHO attend SCHOOL IN the  
8 unified school district.

9           G. For the first year of operation, the unified school district  
10 governing board shall prepare a consolidated budget based on the student  
11 counts from the school districts comprising the unified school district,  
12 except that for purposes of determining budget amounts and equalization  
13 assistance, the student count for the former high school district shall not  
14 include the prior year average daily membership attributable to high school  
15 pupils from a common school district that was part of the former high school  
16 district but is not part of the unified school district. The unified school  
17 district shall charge the remaining common school district tuition for these  
18 pupils as provided in subsection J of this section and shall not include such  
19 pupils for the purpose of making any adjustment for rapid decline in student  
20 count pursuant to section 15-942. The unified school district may budget for  
21 unification assistance pursuant to section 15-912.01.

22           H. The governing board of the unified school district shall prepare  
23 policies, curricula and budgets for the district. These policies shall  
24 require that:

25           1. The base compensation of each certificated teacher for the first  
26 year of operation of the new unified school district shall not be lower than  
27 the certificated teacher's base compensation for the prior year in the  
28 previously existing school districts.

29           2. The certificated teacher's years of employment in the previously  
30 existing school districts shall be included in determining the teacher's  
31 certificated years of employment in the new unified school district.

32           I. Upon formation of a unified school district any existing override  
33 authorization of the former high school district and the former common school  
34 district or districts shall continue until expiration based on the revenue  
35 control limit of the school district or districts that had override  
36 authorization prior to unification. The unified school district may request  
37 new override authorization for the budget year as provided in section 15-481  
38 based on the combined revenue control limit of the new district after  
39 unification. If the unified school district's request for override  
40 authorization is approved, it will replace any existing override for the  
41 budget year.

42           J. The unified school district shall admit high school pupils who  
43 reside in a common school district that was located within the boundaries of  
44 the former high school district. Tuition shall be paid to the unified school  
45 district by the common school district in which such pupils reside. Such

1 tuition amount shall be calculated in accordance with section 15-824, subject  
2 to the following modifications:

3 1. If the former high school district had outstanding bonded  
4 indebtedness at the time of unification, the combined tuition for the group  
5 of high school pupils who reside in each common school district shall include  
6 a debt service amount for the former high school district's outstanding  
7 bonded indebtedness that is determined as follows:

8 (a) Divide the total secondary assessed valuation of the common school  
9 district in which the group of pupils reside by the total secondary assessed  
10 valuation of the former high school district.

11 (b) Multiply the quotient obtained in subdivision (a) of this paragraph  
12 by the unified school district's annual debt service expenditure.

13 (c) For the purposes of this paragraph, "secondary assessed valuation"  
14 means secondary assessed valuation for the tax year prior to the year when  
15 the unification occurs and includes the values used to determine voluntary  
16 contributions collected pursuant to title 9, chapter 4, article 3 and title  
17 48, chapter 1, article 8.

18 2. The debt service portion of such tuition payments calculated  
19 pursuant to paragraph 1 of this subsection shall be used exclusively for debt  
20 service of the outstanding bonded indebtedness of the former high school  
21 district. When such indebtedness is fully extinguished, the debt service  
22 portion of a pupil's tuition shall be determined in accordance with paragraph  
23 3 of this subsection.

24 3. If the former high school district had no outstanding bonded  
25 indebtedness at the time of unification, the tuition calculation shall  
26 include the actual school district expenditures for the portion of any debt  
27 service of the unified school district that pertains to any construction or  
28 renovation of high school facilities divided by the school district's student  
29 count for the high school portion of the school district.

30 4. The unified school district shall not include in the tuition  
31 calculation any debt service that pertains to any construction or renovation  
32 of school facilities for preschool through grade eight.

33 5. Notwithstanding section 15-951, subsection H, the revenue control  
34 limit of the common school district shall include the full amount of the debt  
35 service portion of the tuition calculated pursuant to this subsection.

36 K. All assets and liabilities of the unifying school districts shall  
37 be transferred and assumed by the new unified school district. Any existing  
38 bonded indebtedness of a common school district or a high school district  
39 unifying pursuant to this section shall be assumed by the new unified school  
40 district and shall be regarded as an indebtedness of the new unified school  
41 district for the purpose of determining the debt incurring authority of the  
42 district. Taxes for the payment of such bonded indebtedness shall be levied  
43 on all taxable property in the new unified school district, but nothing in  
44 this subsection shall be construed to relieve from liability to taxation for  
45 the payment of all taxable property of the former high school district if

1 necessary to prevent a default in the payment of any bonded indebtedness of  
2 the former high school district. The residents of a common school district  
3 that does not unify shall not vote in bond or override elections of the  
4 unified school district and shall not be ~~levied for~~ ASSESSED taxes as a  
5 result of a bond or override election of the unified school district.

6 L. If the remaining common school district had authorization for an  
7 override as provided in section 15-481 or 15-482, the override authorization  
8 continues for the remaining common school district or districts in the same  
9 manner as before the formation of the unified school district.

10 M. The bonding authorization and bonding limitations continue for the  
11 remaining common school district or districts in the same manner as before  
12 the formation of the unified school district.

13 N. Nothing in this section shall be construed to relieve a school  
14 district formed pursuant to section 15-457 or 15-458 of its liability for any  
15 outstanding bonded indebtedness.

16 O. IN A UNIFIED SCHOOL DISTRICT WHERE ALL OF THE COMMON SCHOOLS WERE  
17 ELIGIBLE FOR THE SMALL SCHOOL WEIGHT PURSUANT TO SECTION 15-943, PARAGRAPH 1,  
18 SUBDIVISION (a) WHEN COMPUTING THEIR REVENUE CONTROL LIMIT BEFORE  
19 UNIFICATION, THE UNIFIED SCHOOL DISTRICT MAY CONTINUE TO USE THE SMALL SCHOOL  
20 WEIGHT AS FOLLOWS:

21 1. DETERMINE THE COMMON SCHOOL STUDENT COUNT AND THE WEIGHTED STUDENT  
22 COUNT FOR EACH COMMON SCHOOL DISTRICT BEFORE UNIFICATION.

23 2. CALCULATE THE SUM OF THE COMMON SCHOOL DISTRICTS' STUDENT COUNTS  
24 AND WEIGHTED STUDENT COUNTS DETERMINED IN PARAGRAPH 1 OF THIS SUBSECTION.

25 3. DIVIDE THE SUM OF THE WEIGHTED STUDENT COUNTS BY THE SUM OF THE  
26 STUDENT COUNTS DETERMINED IN PARAGRAPH 2 OF THIS SUBSECTION.

27 4. THE AMOUNT DETERMINED IN PARAGRAPH 3 OF THIS SUBSECTION SHALL BE  
28 THE WEIGHT FOR THE COMMON SCHOOLS IN THE UNIFIED SCHOOL DISTRICT.